

From: [Hutchinson, Peter](#)
To: [Private Office DETI](#); [Cahoon, Gillian](#); [Higham, Anne](#)
Cc: [Sterling, David](#); [Thomson, David \(DETI\)](#); [Hepper, Fiona](#); "Olive Hill"; [Clydesdale, Alison](#); [Williamson, Ann](#); ["nigel.mcclelland@investni.com"](#); [Sinton, Dan](#); [Swann, Barbara](#); ["sam.knox@investni.com"](#); [Aiken, Glynis](#); [Neth_Energy](#); [Press Office](#); [McKernan, Janet](#)
Subject: Invitation INV/557/2010 : Request to meet with delegation of key Austrian officials who manufacture state of the art biomass boilers
Date: 01 September 2010 16:07:00
Attachments: [INV 557 10 - Rural Generation.doc](#)
[INV 557 10 - Rural Generation.tr5](#)

Gillian,

Please see attached advice and draft reply in regards to the recent invitation case from Dr John Gilliland (INV 557/10).

Thanks,

Peter

Peter Hutchinson

Sustainable Energy
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
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From: gillian.cahoon@detini.gov.uk [<mailto:gillian.cahoon@detini.gov.uk>]
Sent: 24 August 2010 12:38
To: Hepper, Fiona
Cc: Davison, Janice; Sterling, David; Lewis, Colin; Thomson, David (DETI); Dolaghan, Paul; Williamson, Ann; Aiken, Glynis; Cahoon, Gillian; Neth_Energy; Press Office; Stevenson, Valerie
Subject: Invitation INV/557/2010 : Request to meet with delegation of key Austrian officials who manufacture state of the art biomass boilers

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

INVITATION - URGENT

Reference: INV/557/2010
Invitation From: Dr John Gilliland OBE

Subject: Request to meet with delegation of key Austrian officials who manufacture state of the art biomass boilers

Referred To: HEPPER FIONA (MRS) (Energy Branch)

Date Referred: 24/08/2010

ACTION REQUIRED

Please provide advice and draft reply for signature by Minister. To be with Private Office by noon on 01/09/2010.

Gillian Cahoon (Private Office)
Netherleigh House Tel:- 02890529440

Copied To For Information:

PS/Perm.Sec (DETI)

Sterling David (Mr)

Lewis Colin (Mr)

Thomson David (Mr)

Dolaghan Paul (Mr)

Williamson Ann (Mrs)

Aiken Glynis (Miss)

Cahoon Gillian (Miss)

Energy

Press Office

Stevenson Valerie (Mrs)



Copy Distribution List Below

From: Peter Hutchinson
Sustainable Energy

Date: 1 September 2010

To: 1. Andrew Crawford
2. Arlene Foster MLA

**INV 557/2010: REQUEST TO MEET WITH DELEGATION OF KEY
AUSTRIAN OFFICIALS WHO MANUFACTURE STATE OF
THE ART BIOMASS BOILERS**

Issue: Dr John Gilliland, Rural Generation Ltd, has written to you to seek a meeting to discuss renewable heat policy and the 'green economy'. This meeting would also include members of an Austrian delegation that Dr Gilliland is currently working with.

Timing: Routine.

PfG implications: Not applicable

Need for referral to the Executive: Not applicable.

Presentational Issues: Not applicable.

Freedom of Information: This submission is fully disclosable.

Financial Implications: Not applicable.

Statutory Equality Obligation: Compliant; there are no Section 75 implications.

Legislation Implications: Not applicable.

Recommendation: That, subject to diary commitments, you accept this invitation and respond to Mr Gilliland using the attached draft at Annex B.

Background

Dr John Gilliland OBE, Chairman of Rural Generation Ltd, has written requesting a meeting to discuss the development of new renewable heat policy and the potential for a 'Green Economy' in NI (letter attached at **Annex A**). Rural Generation supplies renewable heating systems for customers in the domestic, public, industrial and commercial sectors, supplying wood chip boilers as well as the necessary fuel which they grow themselves. They also offer advice to consumers on appropriate heating systems and are involved in research and development in this sector.

2. This meeting would take place between 11th – 13th October 2010 and would include also representatives from KWB, an Austrian biomass boiler manufacturer. Rural Generation has recently formed a partnership with Austrian counterparts in order to share information on the manufacture of boilers, the growing of energy crop and the production of quality wood chip fuel.
3. Austria has one of the highest levels of renewable energy generation in Europe at over 23%, with over half of the electricity generation coming from hydro power and an aspiration to generate all electricity from renewable sources by 2030. Austria also has a long history of biomass heating, supported by a large indigenous resource and forest coverage at almost 50% of land area, in comparison Northern Ireland's forest coverage is 6%.
4. Dr Gilliland hopes that a meeting with you to discuss the importance of the 'green economy' in NI and the development of renewable heat policy would help demonstrate the Executive's commitment to this sector and, in turn, help Rural Generation in this new partnership. Invest NI has confirmed that they would be content to attend any meeting with Dr Gilliland. Rural Generation has also written to the First and deputy First Minister and to Minister Gildernew, inviting them to meet with the delegation at the biomass boiler installation in Stormont Castle and at AFBI respectively.

Green Economy

5. Given the breadth of activities included in the Energy and Environmental sector accurate data on its scale have proved difficult to establish. However current estimates indicate that in NI the sector currently employs 4,500 people in 200 companies and currently has an annual turnover of £300m. This indicates Northern Ireland has a solid base on which to build future development and Invest NI believes the rapid growth of the sector offers many opportunities for all businesses in Northern Ireland in design, installation or manufacture of the component parts associated with a range of renewable energy technologies.

Work with Invest NI

6. Rural Generation has proactively worked with Invest NI and through its networks facilitated the first official biomass technical visit for industry to Austria in June 2005 for 12 local companies. This visit gave confidence to the companies attending and led to the installation of the first industrial biomass boiler in NI at Strabane Mills.
7. A further technical visit for 18 NI companies was organised through Austrian Trade (London) in September 2006 to investigate the generation of energy from waste. This visit was most beneficial and led to the submission of planning applications for Northern Ireland's first anaerobic digestion plant at Dungannon (£6m) and a small biomass power station in Strabane (£10m). Both projects have been successful in gaining full planning permissions and construction commenced on the Strabane project in June 2010.
8. The knowledge transfer from these technology transfer visits and the understanding of the EU Energy and Environmental Directives for both NI industry and local government departments has been invaluable. Companies involved in the Invest NI biomass and environmental technology collaborative networks have, following a researched and development period, produced advanced technologies that when commercialised and demonstrated in NI over the next few years will be seen as world leading.
9. Since the initial visit in 2005 Northern Ireland businesses have installed 34 biomass installations in industrial and commercial premises and several hundred domestic biomass boilers and wood pellet stoves have been installed throughout NI. The Austrian biomass boiler company KWB provided the technical assistance to the South West College in Omagh for the formation of the biomass installer academy training courses.

Renewable Heat Policy

10. Fiona Hepper's submission of 9th August 2010 (SUB 364/10) outlined the current position in regards to DETI's work in developing policy for renewable heat. Sustainable Energy Branch has recently completed a significant study which has gathered up to date information on heat and renewable heat in Northern Ireland and assessed various options for incentivising the local market with a view to achieving 10% renewable heat by 2020.
11. One option, put to you in SUB 364/10, was to develop a Renewable Heat Incentive (RHI) specifically for Northern Ireland, which could support the roll-out of renewable heat technologies within the domestic, public and commercial sectors. In addition, work would be carried out to assess the potential of encouraging the uptake of renewable heat technologies amongst large industrial sites, which because of their size and site specific nature would require a more targeted approach

12. If you were content to proceed with this course of action an economic assessment on a NI specific RHI would be required to determine costs, levels of tariffs and potential uptake. Work with the industrial sector could begin in-line with this economic assessment with Invest NI in the lead, although this is still subject to discussion with Invest NI.
13. The design of the RHI would be similar to the current model being used by the Department of Energy and Climate Change (DECC) in Great Britain. DECC consulted on the design and implementation of the GB RHI in February 2010 and are currently finalising plans for the scheme in advance of a decision by Ministers on how to proceed, to be taken as part of the wider spending review.
14. A significant element of the GB RHI was the provision to allow for eligible installations from 15th July 2009 to avail of the RHI once legislation is passed, expected April 2011. This provision has left NI consumers extremely cautious in regards to proceeding with renewable heat installations, concerned that early installation may mean they would be ineligible for a future NI scheme. Indeed a significant drop off in order for biomass boilers has already been seen in NI compared to GB. In proceeding with a NI RHI scheme it has been recommended that all appropriate installations from the date of announcement would be eligible to receive future tariffs, despite legislation not likely to be place until April 2012.

Recommendation

15. Meeting with Dr Gilliland and the delegation from Austria would be an opportunity to discuss the development of renewable heat and the 'green economy' in Northern Ireland and learn from the Austrian experience of developing the renewable heat sector. Invest NI would also recommend accepting this invitation given the amount of free help and technical support that Rural Generation and its Austrian contacts have given to Northern Ireland over the past 10 years in support of the local biomass industry.
16. I would therefore recommend that, diary permitting; you accept Dr Gilliland's invitation and offer to meet with his delegation. A draft letter of acceptance is attached at **Annex B**.

Peter Hutchinson
Sustainable Energy Branch
(Ext 29532)

cc: David Sterling
David Thomson
Fiona Hepper (o/r)
Olive Hill, Invest NI

Alison Clydesdale
Ann Williamson
Nigel McClelland, Invest NI
Dan Sinton
Barbara Swann
Sam Knox, Invest NI
Glynis Aiken
Neth Energy
Press Office

Annex A



RURAL GENERATION LTD

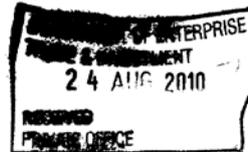
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Email: info@ruralgeneration.com

Arlene Foster MLA
Minister
Department of Enterprise Trade & Investment
Netherleigh
Massey Avenue
Belfast
BT4 2JP



23rd August 2010

Dear Minister

A year ago, my company installed the wood pellet, biomass boiler in Stormont Castle. You will be aware that I and my company have been at the forefront of trying to innovate and develop a biomass and green economy here in Northern Ireland and beyond. You personally have taken the time to visit my own premises to see at first hand what we have been doing.

Over the last three years we have made steady progress with some 110 biomass boiler systems installed and some 5,000 acres of willows planted. We are now working throughout Ireland, England, Scotland, France, New York State and recently were asked to submit proposals for a large project in the City of Regina, Saskatchewan, Canada.

The month of June saw our best month of sales ever. Seven biomass systems were sold against all the odds of our current recession. Sadly, only one of these was in Northern Ireland.

Our success has drawn the attention of our Austrian colleagues who manufacture these state of the art biomass boilers. They now recognise that my company's unique business model of developing a dedicated energy crop, quality controlling the resultant woodchip and supplying heat, all in one package, is something we have developed here, but they haven't in Austria.

As a consequence they have asked us, in their words, "We Austrian's have brought smart biomass boiler technology to Ireland, now we need Ireland to bring smart energy crop and woodchip quality control systems to Austria." The analogy "Sending coals to Newcastle," springs to mind.

On the 11th to 13th of October, we start this process. We are hosting a delegation of key Austrian officials to Northern Ireland, to show them at first hand what we have succeeded in doing. Subsequently, they have asked me to lead a workshop in Gratz, Austria in January and subsequently in Spring 2011, hopefully start to set up a pilot, in partnership, in Austria.

This is clear international recognition for what both my own company and AFBI (Agrifood & Bioscience Institute for NI) have achieved.

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While they are here, I would like to impress on them how seriously our Northern Ireland Executive now sees the Green Economy and show them the leadership the Executive have given Northern Ireland, by visiting the biomass boiler installation we installed in Stormont Castle last year. While we are in the area of Stormont and Netherleigh, I would be delighted if you could greet them and update them on how you see innovation and development of the Northern Ireland Green Economy going forward and hopefully some guidance on policy development around a new renewable heat policy. Would this be possible?

I am also writing to the First and Deputy First Ministers to see if any of them could greet my visitors when we visit the installation in Stormont Castle and Michelle Gildernew, when we visit AFBI.

During their visit we will be taking them to my home base; to visit some of our other installations in the South West College, the National Trust, Ballyclare Leisure Centre; and to the AFBI Research Centres in Loughgall and Hillsborough.

A favourable lasting impression on these guests will not only help my own company's chances in developing a joint venture development in Austria, but clearly recognise that Northern Ireland is already at the Global forefront of some of the best green innovation. A positive response would be very much appreciated.

Many thanks and best wishes

Dr John Gilliland OBE
Chairman

Rural Generation Ltd.

Personal information redacted by the RHI
Inquiry

Annex B**Draft letter to Dr John Gilliland OBE, Rural Generation**

Dr John Gilliland OBE
Chairman
Rural Generation Ltd
65-67 Culmore Road
Londonderry
BT48 8JE

Dear

Thank you for your letter of 23rd August 2010 in regards to a possible meeting with yourself and your Austrian colleagues to discuss the potential for growing the 'Green Economy' in Northern Ireland and the development of renewable heat policy.

My Department has recently completed a study into the potential development of the renewable heat market and appropriate methods of incentivisation. By supporting the renewable heat industry in Northern Ireland and in achieving a 10% target by 2020 there could be significant benefits for Northern Ireland such as fuel security, reduced carbon emissions and indeed the opportunity in this sector for 'green' jobs. The success of Rural Generation is a demonstration of this potential.

Diary permitting, I would be happy to meet with you and the delegation from Austria in order to discuss the benefits of developing the renewable heat market and to hear about the Austrian 'experience' in this sector.

My diary secretary, Gillian Cahoon, will be in touch in due course to make the necessary arrangements.

ARLENE FOSTER MLA

Minister of Enterprise, Trade and Investment